

THE COMPLETE INVESTOR'S GUIDE

PROPERTY INVESTMENT

IN BIRMINGHAM

EXPLORING KEY REGENERATION ZONES
AND HIGH-GROWTH OPPORTUNITIES



A U C T I O N 3 6 0



Birmingham, the UK's second-largest city, is an exciting hub for property investment, offering unique opportunities driven by economic growth, major infrastructure projects, and urban regeneration.

With the arrival of HS2 (High-Speed Rail 2), a burgeoning business sector, and relatively affordable property prices compared to London and other southern cities, Birmingham is a highly attractive option for investors seeking both short-term returns and long-term capital appreciation.

WHY INVEST IN BIRMINGHAM?

- **Growing Business Hub**

Birmingham is evolving into a key business and financial centre, attracting global corporations like HSBC, Deutsche Bank, and PwC. This corporate migration has significantly boosted the local economy, increasing demand for residential properties, especially in the city centre. Professionals moving to the city create a strong demand for rental properties, driving up yields and property prices.

Key Benefits:

- Strong and growing rental market, particularly in central business districts.
- Booming sectors in finance, technology, and advanced manufacturing.

Postcodes:

- B1 (City Centre, Colmore Row): A prime business district.
- B3 (Jewellery Quarter): A popular area for young professionals due to its proximity to business hubs.



- **Infrastructure Development: HS2**

The HS2 rail project will revolutionize Birmingham's connectivity, reducing travel time to London to less than 50 minutes. This improvement is expected to drastically increase housing demand, particularly around Birmingham Curzon Street Station, where HS2 will terminate. The enhanced connectivity to other UK cities such as Manchester and Leeds makes Birmingham even more appealing to investors and commuters alike.

Key Benefits:

- Increased property demand due to better connectivity.
- Expected surge in property values near key HS2 stations.

Postcode:

- B4 (Curzon Street, Eastside): A significant area for growth thanks to HS2 and surrounding redevelopment projects.

- **Affordable Prices with Strong Capital Growth**

While Birmingham is the second-largest city in the UK, property prices remain affordable compared to cities in the South East. The average property price is currently around £250,000, but it is rising as the city experiences further economic and infrastructural growth. Investors have the opportunity to benefit from both high rental yields and substantial capital growth, particularly in emerging areas.

Key Benefits:

- Lower entry cost compared to London and strong appreciation prospects.
- Potential for both high rental yields and long-term capital growth.

Postcodes:

- B5 (Digbeth): A top area for growth due to ongoing regeneration.
- B15 (Edgbaston): Established as a desirable area for high-end residential investments.

PROPERTY TYPES & INVESTMENT OPPORTUNITIES IN BIRMINGHAM

• **City-Centre Apartments**

Birmingham's city-centre areas, including Colmore Row, the Jewellery Quarter, and Digbeth, attract professionals, students, and young couples. High-quality, modern developments are in high demand, making these areas prime for rental investments. With an influx of professionals and the presence of five major universities, city-centre apartments consistently perform well in terms of rental demand.

Investment Potential:

- Rental yields of 4%-6%.
- Strong growth in value as Birmingham's business and educational sectors expand.

Postcodes: .

- B1 (Colmore Row): The heart of Birmingham's business district.
- B3 (Jewellery Quarter): Popular for its rich history and modern living spaces.
- B5 (Digbeth): A creative and cultural hotspot.



• Buy-to-Let Properties

Buy-to-let investments are particularly strong in areas like Edgbaston, Harborne, and Selly Oak. These areas are popular with families, professionals, and students, creating a stable demand for rental properties. Houses of Multiple Occupation (HMOs) are particularly popular among students and young professionals, providing high rental yields.

Key Benefits:

- A strong and stable student market with over 80,000 students across five universities.
- High rental demand from young professionals and families.

Postcodes:

- **B15 (Edgbaston):** Popular for families and professionals.
- **B17 (Harborne):** A leafy suburb with excellent amenities.
- **B29 (Selly Oak):** Close to the University of Birmingham, ideal for student rentals.

• Suburban Family Homes

Suburban areas like Sutton Coldfield and Moseley are ideal for families looking for larger properties with gardens. These areas offer potential for capital growth as families seek better schools, green spaces, and community-focused living. Investors targeting these areas can expect stable long-term tenants and rising property values.

Key Benefits:

- Strong capital growth in family-oriented suburbs.
- High demand from families due to excellent schools and community amenities.

Postcodes:

- **B72, B74 (Sutton Coldfield):** A family-friendly area with good schools and parks.
- **B13 (Moseley):** A vibrant suburb with a strong sense of community.

REGENERATION HOTSPOTS & UNIQUE INVESTMENT OPPORTUNITIES IN BIRMINGHAM

- **Digbeth (B5)**

Digbeth is undergoing a major transformation, transitioning from an industrial district into a vibrant hub for culture, arts, and tech. This area has seen significant investment in new residential developments and commercial spaces, making it one of Birmingham's most exciting regeneration hotspots.

Key Features:

- Thriving creative and tech scene.
- High demand from young professionals and creatives.
- Major developments include residential projects and the creative Digbeth Masterplan.
- **Property Prices:** Around £200,000 for new apartments.
- **Rental Yields:** 5%-6%.



- **Eastside (B4)**

Eastside is set to benefit massively from the HS2 project, with Birmingham Curzon Street Station located here. The area is undergoing extensive regeneration, including new residential, educational, and business developments. As a transport and business hub, Eastside is expected to attract significant investment.

Key Features:

- Direct benefit from HS2 infrastructure.
- New residential and commercial developments.
- Significant capital growth potential.
- **Property Prices:** Rising steadily.
- **Rental Yields:** 4%-5%, with growth expected.

- **Perry Barr (B42)**

Perry Barr has experienced extensive regeneration following the Commonwealth Games 2022, which saw the development of the athletes' village, new housing, and enhanced public infrastructure. It has become a more attractive area for families and young professionals.

Key Features:

- Legacy of Commonwealth Games investment.
- Affordable entry-level prices for investors.
- New housing and community amenities driving demand.
- **Property Prices:** Competitive with potential for long-term growth.
- **Rental Yields:** 4%-5%.

- **Jewellery Quarter (B3)**

This historic district is one of Birmingham's most vibrant areas, known for its rich heritage, boutique shops, and modern residential developments. The Jewellery Quarter is undergoing continuous regeneration, attracting professionals and creatives looking for stylish city-centre living.

Key Features:

- Blend of historic charm and modern living.
- Popular with young professionals due to its central location.
- Regeneration projects include new residential developments and cultural amenities.
- **Property Prices:** Around £300,000 for modern apartments.
- **Rental Yields:** 5%-6%.

- **Selly Oak (B29)**

Selly Oak, located near the University of Birmingham, is seeing significant redevelopment with new student housing, retail spaces, and public infrastructure improvements. It remains a top location for student accommodation investments and offers strong rental yields for buy-to-let investors.

Key Features:

- Close proximity to the University of Birmingham.
 - Strong demand for student housing and HMOs.
 - Ongoing retail and infrastructure improvements.
 - **Property Prices:** Affordable with high rental demand.
 - **Rental Yields:** 6%-7% due to strong student demand.
- Selly Oak (B29)

UNIQUE PROPERTY INVESTMENT OPPORTUNITIES IN BIRMINGHAM

1. Student Accommodation Investments

Birmingham has a thriving student population, offering stable and high rental yields. Purpose-built student accommodation (PBSA) and HMOs near universities, especially in areas like Selly Oak (B29) and Aston (B7), are popular among investors seeking secure returns.

2. Off-Plan Developments

Investors can capitalize on the regeneration of areas like Digbeth and Eastside by investing in off-plan developments. Early-stage purchases in these projects often offer discounted prices, with strong capital growth as the area develops.

3. Commercial-to-Residential Conversions

Birmingham offers unique opportunities for converting commercial spaces into residential properties. With demand for housing increasing in city-centre areas like B1 and B3, these conversions offer a way to meet the demand for city-centre living.



AVERAGE SERVICED ACCOMMODATION YIELDS IN BIRMINGHAM

The yields for serviced accommodation (short-term rentals like Airbnb and holiday lets) in Birmingham can vary depending on location, property type, and demand. Generally, serviced accommodation yields in Birmingham can be higher than traditional buy-to-let properties due to the potential for increased nightly rates.

- **City Centre (B1, B3):**

High-demand areas like Birmingham City Centre, Jewellery Quarter, and Colmore Row tend to see strong occupancy rates from business travellers, tourists, and short-stay professionals. Yields here can range from 8% to 12% depending on property management, seasonality, and marketing.

- **Digbeth (B5):**

As a growing cultural and creative hub, Digbeth is popular for short stays due to its proximity to the city centre and entertainment venues. Yields in Digbeth can range from 7% to 10%, driven by demand from tourists and professionals.



- **Edgbaston (B15):**

Edgbaston is popular with professionals and corporate travellers, particularly for longer stays. Serviced accommodation here can yield 6% to 9%, with potential for steady occupancy rates due to its proximity to the city centre and high-end clientele.

- **Harborne (B17) and Moseley (B13):**

These suburban areas, popular with families and professionals, can achieve yields of 6% to 8% for serviced accommodation. Though slightly lower than central locations, these areas still see strong demand, especially from families visiting the city.

- **Selly Oak (B29):**

Near the University of Birmingham, serviced accommodations in Selly Oak can perform well during peak student move-in periods and university events. Yields typically range from 7% to 9%, especially for short-term student rentals or visiting families.

Factors Affecting Yields

- **Location:** Prime areas like the city centre and regeneration zones yield the highest returns.
- **Seasonality:** Event-driven demand (e.g., conferences, sports events, and tourism) can increase yields significantly during peak times.
- **Management Costs:** Serviced accommodations require higher operational costs (cleaning, utilities, management fees), which impact net yields but can still outperform long-term rentals.

With Birmingham's rising business and tourism profile, serviced accommodation can be a lucrative investment, especially in high-demand areas and with effective management strategies.

HMO (HOUSE OF MULTIPLE OCCUPATION) RENTAL YIELDS IN BIRMINGHAM

HMO rental yields in Birmingham are generally strong due to high demand from students, young professionals, and low-income renters. HMOs typically offer better rental yields compared to single-let properties because multiple tenants share the same property but pay individual rents. Here's a breakdown of HMO yields across different areas of Birmingham

Average HMO Rental Yields in Birmingham

- **Selly Oak (B29):**

Located near the University of Birmingham, Selly Oak is a hotspot for student HMOs. Yields in this area can range from 8% to 12%, with high occupancy rates throughout the academic year due to consistent student demand. The close proximity to the university makes it particularly attractive for student-focused HMO investments.



- **Edgbaston (B15):**

Edgbaston, known for its leafy streets and proximity to the city centre, is popular among professionals and postgraduates. HMOs in this area yield between 6% and 9%, offering a balance of long-term tenants and stable returns.

- **Harborne (B17):**

Harborne, a desirable area for professionals and medical staff due to its proximity to Queen Elizabeth Hospital, sees HMO yields in the range of 6% to 9%. The demand here is driven by professionals and postgraduate students, often leading to longer tenancy periods.

- **Erdington (B23):**

Erdington is a more affordable area for HMO investment, and yields here are typically higher, ranging from 9% to 12%. The area attracts young professionals and low-income tenants due to its good transport links to the city centre and relatively affordable rental rates.

- **Perry Barr (B42):**

Following regeneration efforts post-Commonwealth Games, Perry Barr has become increasingly popular for HMO investments, especially among students and professionals. Yields here range from 7% to 10%, with potential for strong growth as more developments and improvements come to the area.

- **Sutton Coldfield (B72, B73):**

Though traditionally a family area, Sutton Coldfield has seen an increase in HMO investments due to growing demand from young professionals and commuters. Yields here tend to be more moderate, between 5% and 8%, but the area is attractive for investors seeking longer-term, stable tenants.

Factors Affecting HMO Yields:

- **Location:** Areas near universities (Selly Oak, Perry Barr) or large employers (Harborne, Edgbaston) tend to offer higher yields due to consistent demand.
- **Licensing and Regulations:** Birmingham City Council has strict HMO licensing rules, and areas with Article 4 directives (e.g., Selly Oak, Harborne, Edgbaston) require planning permission to convert properties into HMOs. This can add costs but also ensures limited supply, keeping rental yields high.
- **Property Size and Layout:** Larger properties with more bedrooms and amenities (e.g., en-suite bathrooms) tend to command higher rents, improving yield.

Key Features:

- Blend of historic charm and modern living.
- Popular with young professionals due to its central location.
- Regeneration projects include new residential developments and cultural amenities.
- **Property Prices:** Around £300,000 for modern apartments.
- **Rental Yields:** 5%-6%.

Benefits of HMO Investment in Birmingham:

- **Higher Rental Yields:** HMOs typically generate higher yields than single-let properties because each room is rented out individually.
- **Consistent Demand:** Strong demand from students, professionals, and low-income renters ensures a steady stream of tenants.
- **Diversified Income Stream:** With multiple tenants, the risk of void periods is lower, as the property can still generate income even if one room is vacant.

HMOs in Birmingham remain a popular and lucrative investment strategy due to the high tenant demand, particularly in student-heavy areas and neighbourhoods near major employers. Properly managed HMOs, in compliance with local licensing regulations, offer excellent potential for strong, consistent rental returns.



CONCLUSION

BIRMINGHAM'S COMBINATION OF AFFORDABLE PROPERTY PRICES, STRONG RENTAL DEMAND, AND EXTENSIVE INFRASTRUCTURE DEVELOPMENTS MAKE IT A TOP CHOICE FOR PROPERTY INVESTORS.

KEY INVESTMENT AREAS SUCH AS **DIGBETH (B5)**, **EDGBASTON (B15)**, **EASTSIDE (B4)**, AND **THE JEWELLERY QUARTER (B3)** PROVIDE A BALANCE OF HIGH RENTAL YIELDS AND LONG-TERM CAPITAL APPRECIATION. THE CITY'S ONGOING TRANSFORMATION THROUGH REGENERATION AND HS2 FURTHER SOLIDIFIES ITS STATUS AS A PRIME PROPERTY INVESTMENT DESTINATION.



GOT ANY QUESTIONS?

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